# Washington State House of Representatives Office of Program Research

BILL ANALYSIS

# **Environment Committee**

# **ESSB 5290**

**Brief Description**: Designating certain hydroelectric generation from a generation facility located in irrigation pipes, irrigation canals, water pipes whose primary purpose is for conveyance of water for domestic use, and wastewater pipes as an eligible renewable resource under chapter 19.285 RCW.

**Sponsors**: Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senators Delvin, Ericksen, Sheldon, Roach, Becker, Bailey, Rivers, Honeyford, Braun, Carrell, Schoesler, Parlette and Hewitt).

### **Brief Summary of Engrossed Substitute Bill**

Qualifies as an eligible renewable resource under the Energy Independence Act
electricity from generation facilities located in irrigation pipes, irrigation canals,
water pipes whose primary purpose is for conveyance of water for domestic use, and
wastewater pipes located in Washington where the generation does not result in new
water diversions or impoundments.

Hearing Date: 3/27/13

Staff: Scott Richards (786-7156).

#### Background:

#### Energy Independence Act.

Approved by voters in 2006, the Energy Independence Act (EIA), also known as Initiative 937, requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources. Utilities that must comply with the EIA are called qualifying utilities.

## Eligible Renewable Resource Targets and Compliance Dates.

Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits (RECs), or a combination of both, to meet the following annual targets:

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- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;
- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

The term eligible renewable resource means electricity generated from a resource such as wind, solar, geothermal energy, landfill and sewage gas, wave and tidal power, and certain biodiesel fuels. In addition, an eligible renewable resource must be generated in a facility that started operating after March 31, 1999, and the facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis.

# <u>Incremental Hydroelectricity as an Eligible Renewable Resource</u>.

Incremental electricity produced as a result of efficiency improvements to the following hydroelectric generation facilities may also count as an eligible renewable resource if the improvements do not result in new water diversions or impoundments, and the improvements are completed after March 31, 1999:

- hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest: and
- hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest.

## Renewable Energy Credit.

A REC is a tradable certificate of proof of at least one megawatt hour of an eligible renewable resource where the generation facility is not powered by fresh water. Under the EIA, a REC represents all the nonpower attributes associated with the power. The RECs can be bought and sold in the marketplace, and they may be used during the year they are acquired, the previous year, or the subsequent year.

#### **Summary of Bill:**

The following is classified as an eligible renewable resource under the Energy Independence Act: hydroelectric generation from a project completed after March 31, 1999, where the generation facility is located in irrigation pipes, irrigation canals, water pipes whose primary purpose is for conveyance of water for domestic use, and wastewater pipes located in Washington where the generation does not result in new water diversions or impoundments.

**Appropriation**: None.

Fiscal Note: Available.

**Effective Date**: The bill takes effect 90 days after adjournment of the session in which the bill is passed.